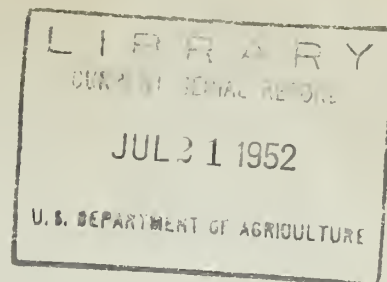


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Wheat Growers-- CAN PROTECT CROP VALUES BY ORDERLY MARKETING

U.S. DEPARTMENT OF AGRICULTURE PRODUCTION AND MARKETING ADMINISTRATION

2 US

Wheat growers this year are marketing one of the biggest wheat crops ever produced.

The way in which this wheat is marketed will have a lot to do with the prices producers receive.

If overloading the market is avoided at harvest time, the seasonal price drop will not be so great. By spreading out their marketing over a longer period, in line with market needs, farmers can help to stabilize prices and assure themselves better returns.

Commodity Credit Corporation price-support loans and purchase agreements are available to help wheat growers market in an orderly way.

By careful planning, no producer need sell his wheat for less than the price-support level (90 percent of parity). By using the price-support programs, he can stabilize his marketing and take advantage of any price increase during the marketing year.

Under the loan program, the support price is available to any grower who has eligible wheat in approved storage. The grower retains ownership for later marketing when this is to his advantage. If at maturity of the loan the market price is less than the loan value, the borrower can deliver his wheat to CCC to settle the loan.

For the producer who has no immediate need for a loan and who wishes to obtain price protection without mortgaging his wheat or paying interest, purchase agreements are available. A purchase agreement is a contract between the producer and CCC in which CCC agrees to purchase from the producer, at the support price, a specified quantity of wheat grown by him and of loan grade at time of delivery. Under the agreement, the wheat grower can deliver all or any part of his wheat covered by the agreement to CCC next spring at the support price. The producer thus, without mortgaging his wheat, has the assurance of at least the support price on a given quantity of it.

The larger the proportion of the 1952 crop put under support the more effective the program can be in protecting growers' prices.

By producing a bumper crop, wheat farmers are assuring ample supplies for consumers here at home and for continuing exports to friendly countries abroad which are helping to build defense against aggression. Producers are entitled to a fair price for this crop, and they themselves can help insure this by:

1. Selling no lower than support prices.
2. If market prices are below support levels, storing the grain on the farm or in an approved warehouse — for sale at the most advantageous time.
3. For price protection during storage, applying for a CCC loan or purchase agreement -- both of which will be available until January 31, 1953.
4. As an added protection, if it looks as though warehouse storage will not be available, taking steps to provide adequate on-farm storage.
5. If the wheat is stored on the farm, being sure to put it in the bin clean, to fumigate it against insects, to keep it dry, and to protect it against rodents and birds.

The records of past performance in the marketing and price of wheat show that historically more than one-third of the wheat crop is sold in July and August. Prices during these months in big crop years are usually considerably below wheat prices during the remainder of the year, and also below the support price.

Consider the record of price movements for each of the last six crops:

AUGUST AND HIGH MONTHLY U. S. AVERAGE FARM PRICES OF WHEAT, 1947-51

<u>Crop</u>	<u>August Dollars per bu.</u>	<u>High Dollars per bu.</u>	<u>Difference between August and high prices</u>
			<u>Cents</u>
1946	1.78	2.44 (March 1947)	66
1947	2.10	2.81 (Jan. 1948)	71
1948	1.96	2.05 (Dec. 1948)	9
1949	1.79	2.04 (May 1950)	25
1950	1.97	2.21 (Feb. 1951)	24
1951	2.05	2.22 (Dec. 1951)	17

Wheat farmers will be acting in their own interests if they make fullest use of the available price supports, in a program of constructive action for the marketing of this year's big crop.

For details about price-support loans and purchase agreements or farm storage facility loans see your PMA county committee.